



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-898]

**Large Diameter Welded Pipe from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review; 2018-2019**

**AGENCY:** Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce.

**SUMMARY:** The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of large diameter welded pipe (welded pipe) from the Republic of Korea (Korea). The period of review (POR) is June 29, 2018, through December 31, 2019.

**DATES:** Applicable [Insert date of publication in the *Federal Register*].

**FOR FURTHER INFORMATION CONTACT:** George Ayache or Joseph Dowling, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2623 and (202) 482-1646, respectively.

**SUPPLEMENTARY INFORMATION:**

Background

On July 10, 2020, Commerce published a notice of initiation of an administrative review of the countervailing duty (CVD) order on welded pipe from Korea.<sup>1</sup> On July 21, 2020, Commerce tolled all deadlines in administrative reviews by 60 days.<sup>2</sup> On March 9, 2021, Commerce extended the deadline for the preliminary results of this review to no later than July 30, 2021.<sup>3</sup>

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<sup>1</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 85 FR 41540 (July 10, 2020) (*Initiation Notice*).

<sup>2</sup> See Memorandum, “Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews,” dated July 21, 2020.

<sup>3</sup> See Memorandum, “Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 2018-2019,” dated March 9, 2021.

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.<sup>4</sup> A list of topics discussed in the Preliminary Decision Memorandum is included at the appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

### Scope of the Order

The merchandise covered by the order is welded pipe. For a complete description of the scope of the order, *see* the Preliminary Decision Memorandum.

### Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.<sup>5</sup> For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

### Companies Not Selected for Individual Review

The statute and Commerce's regulations do not directly address the CVD rates to be applied to companies not selected for individual examination where Commerce limited its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-

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<sup>4</sup> *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review; 2018-2019: Large Diameter Welded Pipe from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>5</sup> *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

others rate in an investigation. Section 777A(e)(2) of the Act provides that “the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5) {of the Act}.” Section 705(c)(5)(A) of the Act states that for companies not investigated, in general, we will determine an all-others rate by weight-averaging the countervailable subsidy rates established for each of the companies individually investigated, excluding zero and *de minimis* rates or any rates based solely on the facts available.

We preliminarily determine that Hyundai RB Co., Ltd. (Hyundai RB) and SeAH Steel Corporation (SeAH Steel) received countervailable subsidies that are above *de minimis*.

Therefore, we preliminarily determine to apply the weighted average of the net subsidy rates calculated for Hyundai RB and SeAH Steel using publicly ranged sales data submitted by the respondents to the non-selected companies. For a list of the 19 companies for which a review was requested, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent, *see* Appendix II to this notice.

#### Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual net countervailable subsidy rate for Hyundai RB and SeAH. Commerce preliminarily determines that, during the POR, the net countervailable subsidy rates for the producers/exporters under review are as follows:

<b>Company</b>	<b>Net Countervailable Subsidy Rate (percent <i>ad valorem</i>)</b>
Hyundai RB Co., Ltd.	1.88
SeAH Steel Corporation <sup>6</sup>	0.97
Non-Examined Companies Under Review <sup>7</sup>	1.10

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<sup>6</sup> As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with SeAH Steel Corporation: SeAH Holdings Corporation and ESAB SeAH Corporation. The subsidy rates apply to all cross-owned companies.

<sup>7</sup> *See* Appendix II.

## Disclosure and Public Comment

We intend to disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of this notice.<sup>8</sup> Interested parties may submit case briefs no later than 30 days after the date of publication of the preliminary results.<sup>9</sup> Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the date for filing case briefs.<sup>10</sup> Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. Parties are reminded that all briefs and hearing requests must be filed electronically using ACCESS and received successfully in their entirety by 5:00 p.m. Eastern Time on the due date. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.<sup>11</sup>

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, using Enforcement and Compliance's ACCESS system within 30 days of publication of this notice.<sup>12</sup> Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm the date and time of the hearing two days before the scheduled date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2), Commerce intends to issue the final results of this administrative review,

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<sup>8</sup> See 19 CFR 351.224(b).

<sup>9</sup> See 19 CFR 351.309(c)(1)(ii).

<sup>10</sup> See 19 CFR 351.309(d)(1); *see also Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006, 17007 (March 26, 2020).

<sup>11</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

<sup>12</sup> See 19 CFR 351.310(c).

including the results of our analysis of the issues raised by the parties in any written briefs, no later than 120 days after the date of publication of these preliminary results.

#### Assessment Rate

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producer/exporters shown above. Consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), upon issuance of the final results, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

#### Cash Deposit Rate

In accordance with section 751(a)(1) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate (9.29 percent) applicable to the company, as appropriate.<sup>13</sup> These cash deposit instructions, when imposed, shall remain in effect until further notice.

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<sup>13</sup> See *Large Diameter Welded Pipe from the Republic of Korea: Countervailing Duty Order*, 84 FR 18773 (May 2, 2019) (*Order*).

Notification to Interested Parties

These preliminary results of review are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213 and 351.221(b)(4).

Dated: July 30, 2021.

Christian Marsh,  
Acting Assistant Secretary for Enforcement and Compliance.

## **Appendix I**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Period of Review
- V. Diversification of Korea's Economy
- VI. Subsidies Valuation Information
- VII. Benchmarks and Interest Rates
- VIII. Analysis of Programs
- IX. Recommendation

## Appendix II

**Table of Rates for Non-Examined Companies Under Review**

<b>Company</b>	<b>Net Countervailable Subsidy Rate (percent <i>ad valorem</i>)</b>
AJU Besteel Co., Ltd	1.10
Chang Won Bending Co., Ltd	1.10
Daiduck Piping Co., Ltd	1.10
Dong Yang Steel Pipe Co., Ltd	1.10
Dongbu Incheon Steel Co., Ltd	1.10
EEW KHPC Co., Ltd	1.10
EEW Korea Co., Ltd	1.10
HiSteel Co., Ltd.	1.10
Husteel Co., Ltd. <sup>14</sup>	1.10
Hyundai Steel Company <sup>15</sup>	1.10
Kiduck Industries Co., Ltd	1.10
Kum Kang Kind. Co., Ltd	1.10
Kumsoo Connecting Co., Ltd	1.10
Nexteel Co., Ltd	1.10
Samkang M&T Co., Ltd	1.10
Seonghwa Industrial Co., Ltd	1.10
SIN-E B&P Co., Ltd	1.10
Steel Flower Co., Ltd	1.10
WELTECH Co., Ltd	1.10

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<sup>14</sup> As stated in the *Initiation Notice*, subject merchandise both produced and exported by Husteel Co., Ltd. (Husteel) is excluded from the countervailing duty order. *See Order*. Thus, Husteel's inclusion in this administrative review is limited to entries for which Husteel was the producer or exporter of the subject merchandise, but not both the producer and exporter.

<sup>15</sup> As stated in the *Initiation Notice*, subject merchandise both produced and exported by Hyundai Steel Company (Hyundai Steel) and subject merchandise produced by Hyundai Steel and exported by Hyundai Corporation are excluded from the countervailing duty order. *See Order*. Thus, Hyundai Steel's inclusion in this administrative review is limited to entries for which Hyundai Steel was not the producer and exporter of the subject merchandise and for which Hyundai Steel was not the producer and Hyundai Corporation was not the exporter of subject merchandise.